

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
INTERNAL AUDIT COMMITTEE  
MEETING OF APRIL 12, 2011**

A meeting of the West Virginia Consolidated Public Retirement Board Internal Audit Committee was held in the Legal Conference Room located at the offices of the Consolidated Public Retirement Board, 4101 MacCorkle Avenue, SE, Charleston, West Virginia, and was called to order at 2:07 p.m. by Dave Mullins, representing Secretary Robert Ferguson and serving as Chairman in the absence of Secretary Robert W. Ferguson, II.

Roll Call was taken. Members present were:

Dave Mullins, *representing Secretary Robert W. Ferguson, II*  
Mack Parsons, *representing Auditor Glen Gainer*  
Diana Stout, *representing Treasurer John Perdue, via telephone*

No Committee members were absent.

A quorum was present. Due notice had been published.

Also, present were:

Terasa L. Miller, CPRB Acting Executive Director  
Jeffrey Fleck, CPRB Compliance Officer  
Cynthia Boyd, CPRB Project Manager  
Annamarie Short, CPRB Internal Auditor  
Brittany Smith, CPRB TRS Membership

**Item #1: Approval of the December 14, 2010 Meeting Minutes**

Mr. Parsons moved to approve the December 14, 2010 meeting minutes. The motion was seconded by Ms. Stout. The motion carried unanimously.

**Item # 2: Cindy Boyd – Update Auditor’s Office Audit Objectives**

Cindy Boyd reviewed with the Committee an update of the Auditor’s Office Audit Objectives.

Ms. Boyd reported to the Committee she and the Managers at the CPRB have devised Audit Objectives for the Auditor’s Office to use when they audit local government agencies to make sure the agencies are reporting correctly. There was discussion by the Committee.

Acting Executive Director Miller reported to the Committee she spoke to Stuart Stickel in the Auditor’s Office and the Auditor’s Office will come up with an hourly rate in order to bill the CPRB for their services.

**Item # 3: 2011/2012 Internal Audit Plan**

Annamarie Short introduced herself to the Committee as the new Internal Auditor to the CPRB. She reviewed with the Committee the CPRB Internal Audit Plan and it is as follows:

**DSRS Fees** - Determine if there are means by which the fees reported by the County Sheriff's can be verified. Verify Audit Objectives with the State Auditor's Office Inspector General.

**West Virginia Schools for Deaf and Blind Review** – Determine if plan participants are eligible based on additional information obtained from the Legislative Auditor's Office Receipts Handling Process – Provide management with assurances that payments received by the various administrative sections are being posted accurately and deposited timely.

**DSRS Benefit Calculations** – Determine if the internal controls are functioning as described in the procedures and whether DSRS retirement annuities are being calculated in accordance with the rules and regulations adopted by CPRB for DSRS. The review will also be used to determine whether retirement annuities are restricted to members actually eligible for retirement. Additionally, the review will include an assessment of the reliability of data on the mainframe.

**PERS Reinstatements** – Determine if the internal controls as described in the procedures are sufficient and operating as intended, to ensure requests for reinstatement have been permitted, calculated, paid and posted in accordance with the provisions of the applicable plan document.

**TRS Reinstatements** – Determine if the internal controls as described in the procedures are sufficient and operating as intended, to ensure requests for reinstatement have been permitted, calculated, paid and posted in accordance with the provisions of the applicable plan document.

**Required Minimum Distributions** – Attempt to identify for management the breakdown in the process to meet the Required Minimum Distribution statues applicable to qualified pension plans and to make recommendations for revisions to the process.

**Item # 4: Update on Current Audits**

Annamarie Short reviewed with the Committee she has been working on an audit for the West Virginia School of the Deaf and Blind. She informed the Committee her report is currently being written and will hopefully submit it to Acting Executive Director Miller by the end of April.

Ms. Short reported that she will be tracking the flow of incoming checks to the CPRB. She reported she will be completing an audit on the receipts handling process and has conducted interviews with all of the Plan Managers and the Accounting Manager in order to get a better understanding of how the receipts flow throughout the agency.

Ms. Short reported she will be attending the Association of Public Pension Fund Auditors in New Orleans from May 1 through May 4, 2011.

**Item # 5: Old Business**

Chairman Mullins asked the Committee if there was any old business to bring before the Committee and none was heard.

**Item # 6: New Business**


Chairman Mullins asked the Committee if there was any new business to bring before the Committee.

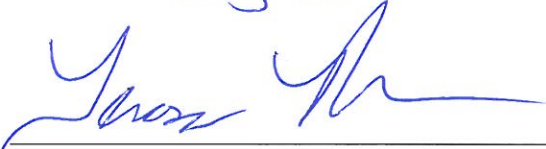
Ms. Stout made a motion to approve the 2011/2012 Internal Audit Plan. Mr. Parsons seconded the motion. The motion carried unanimously.

Chairman Mullins asked the Committee if there was any other new business to bring before the Committee and none was heard.

Mr. Parsons made a motion the public meeting of the West Virginia Consolidated Public Retirement Board Internal Audit Committee adjourn. The motion was seconded by Ms. Stout. The motion carried unanimously and the meeting adjourned at 2:23 p.m.

Respectfully submitted,

  
\_\_\_\_\_  
~~Robert W. Ferguson, Jr. Chairman~~  
MARK E. PARSONS  
Acting Chair

  
\_\_\_\_\_  
Terasa L. Miller, Acting Executive Director